



Caleb Moore <cmoore@thedfwlawfirm.com>

Lot 19 HUD Statement

6 messages

Kyle Hendrick <kyle@milbern-ray.com>

Tue, Jul 16, 2019 at 5:51 PM

To: "J. Michael Ferguson" <mike@fnalegal.com>

Cc: Kent Ray <kar@milbern-ray.com>, Caleb Moore <cmoore@thedfwlawfirm.com>, Thomas Herald <tom@taheraldpc.com>, Nate Richards <nate@fnalegal.com>

Mike,

Following up on our meeting this afternoon. See the attached spreadsheet for activity associated with the HUD for Lot 19 which was sold 10/24/14.

On the top section of the spreadsheet I've entered what would be the correct journal entries based on the information from the attached HUD. The net impact per the HUD would be an increase of \$3.07 to the Due to/Due From account that the JV has with Anson. This is the amount per the HUD what was received when Lot 19 was sold

Next I show the entries associated with Lot 19 (i.e. has Lot 19 in the memo field) in the most recent QB copy that I received today 7/16/19. Their were entries from 10/24/2014 and 12/31/2015 associated with the sale of Lot #19. Per these entries the net impact to the Due to/Due from account that the JV has with Anson was a decrease of \$2,490.79 (see the attached spreadsheet).

Assuming that all the entries associated with this lot were identified with Lot 19 in the memo field. Based on the entries that I'm seeing in QB the Due to/Due From account would be understated by \$2,493.86. It appears that the \$3.07 entries to net the revenue and expenses was entered and then all the expenses were entered again.

I can mock up other HUD if you need me to. You either need to enter the net impact (not technically correct from a revenue and expense standpoint, but still gets to you the same net income bottom line) or you need to enter the Revenue (i.e. the deposits, sale price – seller financed note) and the associated expenses from the HUD, which would net to the net cash received/paid by the JV when the lot was sold. From the limited time I've had to look at this QB file it appears you have entered the Netting Entry and the expenses from the HUD, but not the revenue.

Please review and let me if I'm missing something or if we need to discuss.

Thanks,
Kyle

Kyle Hendrick, CPA, CFA

Milbern Ray & Company LLP

PLs' Exhibit 93

KR Depo Exhibit 15

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2 attachments



2014 HUD Statements Lot 19 updated 7-16-2019.xlsx
15K



LOT 19 HUD Pina.pdf
841K

J. Michael Ferguson <mike@fnalegal.com>

Tue, Jul 16, 2019 at 6:54 PM

To: Kyle Hendrick <kyle@milbern-ray.com>

Cc: Kent Ray <kar@milbern-ray.com>, Caleb Moore <cmoore@thedfwlawfirm.com>, Thomas Herald <tom@taheraldpc.com>, Nate Richards <nate@fnalegal.com>

Kyle,

I will do these as you have so they will look the way you want. Please do not work on this anymore until I get back with you. If income is matching as you say, then 70% of the expenses will match up form the HUDs when I finish this. That way all you have to do is verify the remaining 30%. I do not want the expense running any higher than it has to. Once I get this to you, we need to discuss how much you feel this will run over the \$32k to 35k that we were quoted.

Thank you,

Mike

PLs' Exhibit 93

KR Depo Exhibit 15

J. Michael Ferguson

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Caleb Moore <cmoore@thedfwlawfirm.com>

Fri, Jul 26, 2019 at 4:00 PM

To: Kyle Hendrick <kyle@milbern-ray.com>

Cc: "J. Michael Ferguson" <mike@fnalegal.com>, Kent Ray <kar@milbern-ray.com>, Thomas Herald <tom@taheraldpc.com>, Nate Richards <nate@fnalegal.com>

Hi Kyle

What is the status of the audit? Did you get everything you needed? If you did, do you have an idea of when you'll have the report ready?

[Quoted text hidden]

J. Michael Ferguson <mike@fnalegal.com>

Fri, Jul 26, 2019 at 4:13 PM

To: Caleb Moore <cmoore@thedfwlawfirm.com>, Kyle Hendrick <kyle@milbern-ray.com>

Cc: Kent Ray <kar@milbern-ray.com>, Thomas Herald <tom@taheraldpc.com>, Nate Richards <nate@fnalegal.com>

Kyle and Caleb,

PLs' Exhibit 93

KR Depo Exhibit 15

We are finished, we just need to bind everything together. I will deliver it on Monday.

Kyle,

You were right about the way I had done the entries and it became very clear once I saw your entry. We did every sale substantially the way you had it. I left Income alone as I think we agreed on the income piece of this. We unbundled all the expenses.

I will get with you Monday morning.

Caleb,

I have told Kyle and them that if we have for example, a copy of a check but no invoice, then just state that and lets move on. There are only about 20% of expenses that need the double verification in my opinion. For Example, Servicing Fees may not be agreed to but the calculation is the only thing that is in question. There is no need to spend time on it. Same for any reserve, we can agree to disagree on that, mark it and move on. I will have a bate stamped copy of the final PDF that is given to Kyle delivered to your office and you will have the Quickbooks file too.

Income was very close and I think it is agreed to.

Thanks,

Mike

J. Michael Ferguson

SBN. 24000644

NMLS No. 314217

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Kyle Hendrick <kyle@milbern-ray.com>

Mon, Jul 29, 2019 at 9:29 AM

To: "J. Michael Ferguson" <mike@fnalegal.com>, Caleb Moore <cmoore@thedfwlawfirm.com>

Cc: Kent Ray <kar@milbern-ray.com>, Thomas Herald <tom@taheraldpc.com>, Nate Richards <nate@fnalegal.com>

Let me know when you be bringing the information by today. I should be here most of the day.

[Quoted text hidden]

Kyle Hendrick <kyle@milbern-ray.com>

Fri, Aug 2, 2019 at 2:38 PM

To: "J. Michael Ferguson" <mike@fnalegal.com>, Caleb Moore <cmoore@thedfwlawfirm.com>

Cc: Kent Ray <kar@milbern-ray.com>, Thomas Herald <tom@taheraldpc.com>, Nate Richards <nate@fnalegal.com>

Mike,

Wanted to check in with you. Are you still working on pulling the updated information together? I haven't seen anything this week.

FYI. After today, I'm out of the office on vacation returning Tuesday, August 13th.

Thanks,

Kyle

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